

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JUNE 18, 2008

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

SUBJECT:

RESOLUTIONS:

RA-7-2008 - Discussion and possible action regarding a resolution authorizing the issuance of the Taxable Tax Increment Subordinate Lien Note from the Redevelopment Agency to WMCV Phase 2, LLC (World Market Center), located at 495 South Grand Central Parkway, and providing for all matters related thereto (\$14,268,157 – Redevelopment Agency Special Revenue Fund) - Ward 5 (Barlow)

Fiscal Impact

☐

No Impact

☐

Augmentation Required

☒

Budget Funds Available

Amount: \$14,268,157

Funding Source: Redevelopment Agency Special Revenue Fund

Dept./Division: Office of Business Development

PURPOSE/BACKGROUND:

The Agency entered into an Owner Participation Agreement on September 18, 2002, to provide Tax Increment Financing to compensate for public improvements constructed by World Market Center as part of the Project. Taxable tax increment subordinate lien notes have been issued on the first completed building. The second building is now complete. Staff has determined that the developer is in compliance with the terms and conditions of the Owner Participation Agreement. The term of this note is for the remaining term of the original Note, which is June 2025. The principal amount of the Note for the second building has been calculated to be \$14,268,157 with an annual payment \$1,511,897 paid from Available Accrued Taxes from the Project

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Resolution No. RA-7-2008 with attached Note
2. Disclosure of Principals
3. Site Map

Motion made by GARY REESE to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

LOIS TARKANIAN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW, LARRY BROWN)

REDEVELOPMENT AGENCY MEETING OF: JUNE 18, 2008

Minutes:

SCOTT ADAMS, Operations Officer of the Redevelopment Agency, stated that this request is similar to the prior two actions authorizing issuance of the Taxable Tax Increment Subordinate Lien Note. Using the overhead, MR. ADAMS displayed an aerial view of the World Market Center, Phase 2 and explained that it is a 1.8 million square foot building valued at \$192 million. He explained that the existing Owner Participation Agreement has a defined term of 20 years. The note is \$14.2 million with an annual payment of \$1.5 million. He recommended approval.

KATIE FELLOWS, 3773 Howard Hughes Parkway, appeared on behalf of the World Market Center.

CHAIRMAN GOODMAN asked when the third building would be included on the tax rolls. MR. ADAMS estimated it may be partially included in this fiscal year with a full assessment in Fiscal Year 2009. MS. BOLOS concurred. MARK VINCENT, Director of Finance and Business Services, confirmed that the parking lot will be part of the tax valuation.

